

CMBI Credit Commentary

Fixed Income Daily Market Update 固定收益部市场日报

- *In Asia IG space, KHFC/KDB Float 30s tightened 1-2bps this morning. BABAs/MEITUAs tightened 1-3bps. Meanwhile CKHH 30s/34s were unchanged to 2bps wider following media report on Panama's potential cancellation on a port deal with CK Hutchison's subsidiary. MYLIFE/NIPLIF 54s were up 0.1pt.*
- **Macau gaming:** *GGR dropped 5.6% yoy in Jan'25. Within the sector, MPELs and STCITYs/STDCTY are our top picks after SJMHOLS' outperformance in 2024. See below.*
- **LASUDE:** *Media reported Lai Sun Development is in talks to refinance HKD3.6bn (cUSD462mn) secured facility due in Oct'25, seeking all-in pricing of HIBOR+150-160bps and a tenor of 5 years. LASUDE'26 was unchanged this morning.*

❖ Trading desk comments 交易台市场观点

Yesterday, the sentiment in Asia IG space turned more constructive following US postponed tariffs on Mexico and Canada. In KR, DAEECs tightened 3-5bps. The recent new KHFCs and HYNCAPs were 2bps tighter. In Chinese IGs, HAOHUA/BABA 28-31s tightened 1-3bps. MEITUA 28s/29s were also 2-3bps tighter. In financials, Chinese AMCs were under better buying. GRWALLs were 1-2bps tighter. CFAMCIs were 0.1-0.3pt higher. In T2s, ANZNZs/CBAAs/SUMIBKs were better bid and closed 1-2bps tighter. BNKEAs, however, widened 1-4bps. In JP insurance hybrids, NIPLIF/MYLIFE 54s were unchanged to 0.1pt higher. EU AT1s were skewed to better buying. The short-dated-to-call papers such as BACR 6.125/HSBC 6.5 Perps were 0.1-0.3pt higher. HK names were mixed. CSIPRO 25s retreated 2.1pts following the gain of 7.3pts on Mon. CSI Properties launched bondholder identification process. See comments on [4 Feb '25](#). BTSDf 28s were up 0.1pt following the makewhole of BTSDf 26s. See comments on [4 Feb '25](#). NWDEVL 27-31s were 0.4-0.7pt higher, while NWDEVL Perps were unchanged to 0.6pt lower. NANFUN/HYSAN/LIFUNG Perps declined 0.4-1.0pt. In Chinese properties, VNKRL 25-29s rebounded 0.9-2.3pts following the decline of 1.7-2.5pts on Mon. SHUION 26s were up 0.3-0.6pt. Outside properties, WESCHI 26s declined another 0.8pt. In Macau gaming, WYNMAC/MGMCHI 26-27s were down 0.2-0.4pt. See comments below. In India, UPLIN 28/30/Perp rose another 0.8-1.0pts. ADSEZs/ADANEMs were up 0.4-0.7pt. Elsewhere, GLPSP Perps/25-26s were 1.6-2.9pts higher.

The flows in LGFVs were light with onshore accounts still out of holiday, while offshore investors were under small better buying. GZINFU/POWINV 26s were 0.1pt higher. In SOE perps, HUANEN Perps were up 0.1-0.2pt.

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❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
GLPSP 4 1/2 PERP	58.5	2.9	CSIPRO 5.45 07/21/25	91.1	-2.1
VNKRLE 3.15 05/12/25	92.0	2.3	NANFUN 5 PERP	65.7	-1.0
GLPCHI 2.95 03/29/26	90.8	2.1	WESCHI 4.95 07/08/26	73.2	-0.8
GLPSP 4.6 PERP	55.5	2.0	NWDEVL 6.15 PERP	35.8	-0.6
GLPSP 3 7/8 06/04/25	97.7	1.6	HYSAN 4.85 PERP	64.8	-0.4

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.72%), Dow (+0.30%) and Nasdaq (+1.35%) were higher on Tuesday. Stocks gained momentum after last-minute negotiations resulted in one-month reprieves on Trump's 25% tariff against Canada and Mexico. 10% tariff against China went into effect. US Dec'24 JOLTS Job Openings was 7.60mn, lower than the expectation of 8.01mn. UST yield retreated on Tuesday, 2/5/10/30 yield at 4.21%/4.31%/4.52%/4.75%.

❖ Desk Analyst Comments 分析员市场观点

➤ Macau gaming: GGR dropped 5.6% yoy in Jan'25

Table 1: Macau monthly GGR

MOP mn	2023	2024	2025	Cumulative GGR 2025	Cumulative GGR 2025 growth rate	% of 2019 GGR
Jan	11,580	19,337	18,254	18,254	-6%	73%
Feb	10,324	18,486	-	-	-	-
Mar	12,738	19,503	-	-	-	-
Apr	14,722	18,545	-	-	-	-
May	15,565	20,188	-	-	-	-
Jun	15,207	17,694	-	-	-	-
Jul	16,662	18,595	-	-	-	-
Aug	17,213	19,754	-	-	-	-
Sep	14,937	17,253	-	-	-	-
Oct	19,501	20,787	-	-	-	-
Nov	16,043	18,438	-	-	-	-
Dec	18,564	18,202	-	-	-	-

Source: Macau DSEC.

In Jan'25, the gross gaming revenue (GGR) in Macau dropped 5.6% yoy to MOP18.3bn. It is the second monthly decline after Dec'24. The Jan'25 GGR was c73% of pre-pandemic level in 2019, down from c78% in 2024. Macao government expects 2025 GGR to rise to MOP240bn (cUSD30bn). We believe the 2025 target is highly achievable given the sustained recovery in tourist arrivals and incremental supportive policies in mainland China. In Dec'24, the Chinese government resumed the application of multiple-entry visa to Macau for Zhuhai residents.

The Macau gaming bonds have been performing well and conviction is lower. Nonetheless, we expect the credit stories of Macau gaming operators to continue to improve, benefitting from the resilient GGR recovery and normalization of funding access. These should support the performance of Macau gaming bonds. We also expect them to be candidates for early redemption of their bonds given their improved financial conditions and resumed access to capital markets.

Within the sector, MPELs and STCITYs/STDCTY are our top picks after SJMHOLS' outperformance in 2024. That said, we still consider SJMHOLS good carry play. We also like MGMCHIs and WYNMAC'29 yield pick-up

plays. They offer 10-59bps and 80bps yield pick-up over bonds of their US parents, respectively. We are neutral on SANLTDs on valuation.

Table 2: Macau gaming USD bond profile

	Ask YTM (%)	Mod Duration	Ask price
MGMCHI	5.5-6.7	0.1-3.7	98.6-102.2
MPEL	5.6-7.6	0.3-4.1	92.3-100.2
SANLTD	4.5-5.8	0.3-5.6	86.3-100.3
SJMHOL	5.8-6.3	0.9-2.7	96.1-98.7
STCITY/STDCTY	5.7-7.5	0.1-3.5	91.5-101.0
WYNMAC	4.0-6.8	0.9-4.2	93.3-101.7

Source: Bloomberg.

- **Offshore Asia New Issues (Priced)**

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
No Offshore Asia New Issues Priced Today					

- **Offshore Asia New Issues (Pipeline)**

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
No Offshore Asia New Issues Pipeline Today					

➤ **News and market color**

- Regarding onshore primary issuances, there were 0 credit bonds issued yesterday. As for month-to-date, 0 credit bonds were issued due to Chinese new year holiday.
- Panama considers canceling port deal with a subsidiary of Hong Kong's CK Hutchison Holdings
- Hong Kong property sales fell 14.2% mom by value in Jan'25 to a four-month low
- **[FWDGHD]** Media reported FWD Group signed USD1.5bn syndicated loan, included a 3-year USD500mn revolving facility and a 5-year USD1bn term loan
- **[KYOBOL]** Media reported Kyobo Life Insurance chairperson in talks with Meritz Financial to secure funding of KRW1tn (cUSD686mn) to purchase a stake in the company held by a consortium of investors
- **[PWRLNG]** Powerlong Real Estate Holdings submits court application to extend longstop date to 31 May'25

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